

DRAFT ANNUAL BUDGET OF NTAMBANANA LOCAL MUNICIPALITY



2016/17 TO 2018/19 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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1. DEFINITIONS

(1) In this Budget Report, unless the context indicates otherwise –

“accounting officer”

(a) in relation to a municipality, means the municipal official referred to in section 60 of the Municipal Finance Management Act, 2003; and include a person acting as the accounting officer;

“allocation”, in relation to a municipality, means -

- (a) a municipality's share of the local government's equitable share referred to in section 214(1)(a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1)(c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or
- (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

“annual Division of Revenue Act” means the Act of Parliament which must be enacted annually in terms of section 214 (1) of the Constitution;

“approved budget” means an annual budget -

- (a) Approved by a municipal council; or
- (b) Approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;

“basic municipal service” means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

“budget-related policy” means a policy of a municipality affecting or affected by the annual budget of the municipality, including -

- (a) The tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
- (b) The credit control and debt collection policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

“budget year” means the financial year for which an annual budget is to be approved in terms of section 16(1) of the Municipal Finance Management Act, 2003.;

“chief financial officer” means a person designated in terms of section 80(2)(a) of the Municipal Finance Management Act, 2003.

“councillor” means a member of a municipal council;

“CPI” means Consumer price Index.

“current year” means the financial year which has already commenced, but not yet ended;

“debt” means -

- (a) a monetary liability or obligation created by a financing agreement, note, debenture, bond or overdraft, or by the issuance of municipal debt instruments; or
- (b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another;

“delegation”, in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

“district municipality” means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality;

“COGTA” means Cooperative Governance and Traditional Affairs

“EXCO” means Executive Committee of the Council of the Municipality

“GFS” means General Financial Statistic.

“financial year” means a year ending on 30 June;

“IDP” means Integrated Development Plan

“In year reports, in relation to-

(a) a municipality means

- (i) a monthly budget statement of the municipality contemplated in section 71(1) of the MFMA
- (ii) a Quarterly report on the implementation of the budget and financial state of affairs of the municipality contemplated in section 52(d) of the act;
- (iii) a mid-year budget and performance assessment of the municipality contemplated in section 72 of the act.

“investment”, in relation to funds of a municipality, means -

- (a) The placing on deposit of funds of a municipality with a financial institution; or
- (b) The acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

“lender”, in relation to a municipality, means a person who provides debt finance to a municipality;

“local community” has the meaning assigned to it in section 1 of the Municipal Systems Act;

“local municipality” means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;

“long-term debt” means debt repayable over a period exceeding one year;

“MANCO” means management committee of the municipality

“MFMA” Municipal Finance Management Act, No. 56 of 2003

“MFMA Regulations or (MBRR)” means regulations relating to Municipal Budget and Reporting

“MTEF” means Medium Term Expenditure Framework

“mayor”, in relation to -

- (a) a municipality with an executive mayor, means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act; or
- (b) a municipality with an executive committee, means the councillor elected as the mayor of the municipality in terms of section 48 of that Act;

“month” means one of the 12 months of a calendar year;

“municipality” -

- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or (b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

“municipal service” has the meaning assigned to it in section 1 of the Municipal Systems Act;

“Municipal Systems Act” means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

“municipal tariff” means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

“municipal tax” means property rates or other taxes, levies or duties that a municipality may impose;

“National Treasury” means the National Treasury established by section 5 of the Public Finance Management Act;

“past financial year” means the financial year preceding the current year;

“NER”, means the National Electricity Regulator;

“Provincial Treasury” means a treasury established in terms of section 17 of the Public Finance Management Act;

“quarter” means any of the following periods in a financial year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or
- (d) 1 April to 30 June;

“Quality certificate”, in relation to

- (a) a municipality, means a certificate issued and signed by the municipal manager of the municipality confirming the accuracy and reliability of the contents of a document prepared or issued by the municipality

“SDBIP” means Service Delivery Budget Implementation Plan

“standards of generally recognised accounting practice” means an accounting practice complying with standards applicable to municipalities or municipal entities and issued in terms of Chapter 11 of the Public Finance Management Act;

“vote” means -

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

1 Part 1 – Annual Budget

1.1 Mayor's Report

The Municipal Finance Management Act 56 of 2003, section 24(1) requires the municipal council to consider the approval of the annual budget at least 30 days before the start of the budget year.

In addition the National Treasury has made available the MFMA circulars 78 and 79 issued in December 2014 and March 2015 respectively, which provide further guidance to municipalities and municipal entities for the preparation of their 2016/17 Budgets and Medium Term Revenue and Expenditure Framework (MTREF).

Taking into account the national budget, the relevant provincial budget, the national government's fiscal and micro-economic policy, the annual **Division of Revenue Act** and any agreement reached in the budget forum.

Ntambanana Municipality would also like to state that it was not allocated any funding on the 2016 DoRA and that made it difficult for the municipality to produce the budget that is reliable and credible.

Management within the local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the Ntambanana Local Municipality. Budgeting is preliminary about the choices that municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

The application of sound financial management principles for compilation of the Ntambanana's financial plan is essential and critical to ensure that the municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

I would like to thank the council of Ntambanana for the support given thus far especially with the adoption of a series of user friendly templates that have been developed by National Treasury to make the implementation of the format reforms as easy as possible for Ntambanana Municipality.

The templates are designed to assist with the production of all schedule, tables, supporting tables and charts in compliances with the Municipal Finance Management Act, 2003 (Act no. 56 of 2003) the municipal budget and reporting regulations issued on the 17 April 2009. (Government Gazette 32141) and the various MFMA Circulars issued by National Treasury.

1.2 Council Resolutions

The Council of Ntambanana Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

1. The draft annual budget of the Municipality for the financial year 2016/17 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1 Budgeted Financial performance (revenue and expenditure by standard classification) as contained in Table 10 on page 19
 - 1.1.1 Budgeted Financial performance (revenue and expenditure by municipal vote) in Table 11 on page 21
 - 1.1.2 Budgeted Financial performance (revenue by source and expenditure by type) in Table 12 on page 22
 - 1.1.3 Multi – year and single year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 13 on page 24.
 - 1.2 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table 14 on page 26;
 - 1.2.2. Budgeted Cash Flows as contained in Table 15 on page 27;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 15 on page 27;
 - 1.2.4 Asset management as contained in Table 17 on page 29;
 - 1.2.5 Basic service delivery measurement as contained in Table 18 on page 30.
- 2 The Council of Ntambanana Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014:
 - 2.1. the tariffs for property rates

1.3 Executive Summary

The application of sound financial management principles for the compilation of Municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

MFMA Circular No. 70 states that the 2014 Budget Review notes that spending plans outlined in the 2014 Budget continue to support government's commitment to broadening service delivery and expanding investment in infrastructure, while taking account of the constrained fiscal environment. South Africa's economy is projected to grow by 3 per cent by 2017 while GDP growth of 1.4 per cent is estimated in 2014, down from 3.6 per cent in 2011.

Consequently, municipal revenues and cash flows are expected to remain under pressure in 2016/17 and ***so municipalities must adopt a conservative approach when projecting their expected revenues and cash receipts.***

Municipalities should carefully consider affordability of tariff increases; especially as it relates to domestic consumer while considering the level of services versus the associated cost. Municipalities should also pay particular attention to managing revenue effectively and

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carefully evaluate all spending decision. ***Municipalities must implement cost containing measures as approved by Cabinet to eliminate non – priority spending.***

National Treasury's MFMA Circular No.74 and 75 were used to guide the compilation of the 2016/17 MTREF.

The main challenges experienced during the compilation of the 2016/17 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Wage increases for municipal staff that continues to exceed consumer inflation.

The following budget principles and guidelines directly informed the compilation of the 2016/17 MTREF:

- The 2016/17 Adjustment Budget priorities and targets, as well as the base line allocations contained in that Adjustment Budget were adopted as upper limits for the new baselines for the 2016/17 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Property rate increases should be affordable and should generally not exceed inflation as measured by the CPI.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

Table 1 Consolidated Overview of the 2016/17 MTREF

R Thousand	Adjustments Budget 2015/16	Budget Year 2016/17	Budget Year + 1 2017/18	Budget Year + 2 2018/19
Total Operating Revenue	88,928,000.00	64,849,000.00	67,041,000.00	67,041,000.00
Total Operating Expenditure	84,022,000.00	64,521,000.00	66,712,000.00	66,712,000.00
<i>Surplus/(Deficit) for the year</i>	4,906,000.00	328,000.00	329,000.00	329,000.00
Total Capital Expenditure	22,079,000.00	15,821,000.00	16,495,000.00	16,495,000.00

Total operating revenue has decreased by 27 per cent or R24, 079 million for the 2016/17 financial year when compared to the 2016/17 Adjustment Budget. Total operating revenue for 2015/16 was increased by grants that were not spent at the beginning of the financial year which were then brought in to the adjustments budget for spending. For the outer years, operational revenue 2017/18 will increase by 3.38% and 0% in Budget year 2018/19.

Total operating expenditure for the 2016/17 financial year has been appropriated at R64.521 million and translates into a budget surplus of R328 000. When compared to the 2015/16 Adjustment Budget, operational expenditure has increased by 23.2 per cent in the 2016/17 budget and increased by 3.39% for budget year 2017/18 and increased by 0% for budget year 2018/19.

The capital budget of R15.821 million for 2016/17 is 18 per cent less compared to the 2015/16 Adjustment Budget. The decrease is caused by that Lottery Grant and Department of Sports Grant will be exhausted in the current financial year. The capital expenditure increases by 2.95 and 4.263 per cent respectively. The capital budget of Ntambanana Municipality is funded by Municipal Infrastructure Grant & Equitable Share for other assets.

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1.4 Operating Revenue Framework

For Ntambanana Local Municipality to continue improving the quality of service provided to its citizens it needs to generate the required revenue. In these tough times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceeds available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditure against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy
- Effective revenue management
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA)

The following table is a summary of the 2016/17 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

KZN283 Ntambanana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source										
Property rates	2	1 248	1 288	1 323	1 353	1 336	1 336	1 448	1 549	1 549
Property rates - penalties & collection charges										
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-
Service charges - other										
Rental of facilities and equipment		23	25	27	-	-	-	-	-	-
Interest earned - external investments		1 173	1 168	1 324	1 132	1 132	1 132	1 211	1 295	1 295
Interest earned - outstanding debtors		59	68	96	29	61	61	31	33	33
Dividends received		-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		51 828	46 058	44 190	64 848	72 074	72 074	62 081	58 880	58 880
Other revenue	2	500	348	279	74	14 326	14 326	79	5 283	5 283
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)		54 832	48 955	47 239	67 435	88 928	88 928	64 849	67 041	67 041

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from operating statement, as inclusions of these revenue sources would distort the calculation of the operating surplus/deficit.

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. Interest comprises of; interest on primary bank account as well as interest earned from call investment accounts. Other revenue Includes; tender monies, hall hire, rent-internal and LGSeta refund.

Operating grants and transfers totals R 64, 848 million in 2015/16 financial year and decreased to R 62, 081 million in 2016/17 financial year. Note that it has decreases to R 58, 880 and R 58, 880 million respectively for the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

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Table 3 Operating Transfers and Grants Receipts

KZN283 Ntambanana - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		46 113	35 725	35 386	56 412	57 212	57 212	53 204	49 419	49 419
Local Government Equitable Share		19 194	21 185	30 881	42 362	42 362	42 362	42 422	40 486	40 486
Finance Management		1 533	1 650	1 800	1 800	1 800	1 800	1 825	1 900	1 900
Municipal Systems Improvement		845	890	934	930	930	930	957	1 033	1 033
Integrated National Electrification Programme		23 548	11 000	–	8 000	8 800	8 800	8 000	6 000	6 000
EPWP Incentive		993	1 000	1 771	1 463	1 463	1 463	–	–	–
Municipal Demarcation Transition Grant				–	1 857	1 857	1 857			
Provincial Government:		447	634	2 536	873	873	873	761	800	800
Sport and Recreation				1 875	150	150	150			
Provincialisation of Libraries		447	634	661	723	723	723	761	800	800
District Municipality:		3 415	6 851	2 855	7 563	7 563	7 563	8 066	8 631	8 631
Refuse Removal		3 415	6 851	2 855	7 563	7 563	7 563	8 066	8 631	8 631
Other grant providers:		1 124	–	–	–	–	–	–	–	–
Cogta - Corridor Development		1 124								
Total Operating Transfers and Grants	5	51 099	43 210	40 777	64 848	65 648	65 648	62 031	58 850	58 850

Tariff – setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs, and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of 6 per cent upper boundary of the South African Reserve Bank's inflation target.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co – operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non – residential categories, public service infrastructure and agriculture properties relative to residential properties to be 0, 25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R 15 000 of the market value of a property used for residential purpose is excluded from the rate-able value (Section 17(h) of the MPRA).
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy.
- In imposing a rate in the Rand for each annual operating budget component, the Council of the Municipality may grant exemptions, rebates and reductions to categories of May 2016

properties. However, the Council reserves the right to amend these exemptions, rebates and reduction if the circumstances of a particular annual budget so dictate. The categories of rate-able properties for purposes of levying rates and the proposed rates for 2016/17 are listed below:

Table 4 Current municipal tariffs

Category	Ratios	Current Tariff	Rebate	Phasing in
Agriculture	1:0.25	0.00253	50%	100%
Industrial	1:3	0.03032	30%	100%
Public Service Infrastructure	1:0.25	0.00253	30%	100%
Institutional	1:0.25	0.00253	100%	100%
Residential	1:1	0.01011	50%	100%
Government	1:1	0.01011	20%	100%
Place of worship	1:0.25	0.00253	100%	100%
Rural communal land	1:0.25	0.00253	100%	100%
Municipal	1:0.25	0.00253	100%	100%

All rebates and exemptions are contained in the Rates Policy and may in certain instances be applied to the rate as assessed above.

General:

1. Any rates that are not paid on the due date will be subject to interest at the rate of **0.833%** per month.
2. Any rates remaining unpaid longer than 3 months will be subject to legal action to be instituted to recover the area amount.

The following chart is a breakdown of the operational revenue per main category for the 2016/17 financial year.

Ntambanana Local Municipality derives most of its operational revenue from operating grants from organs of state as it is shown on the chart that **96 per cent** of revenue is from grants and subsidies.

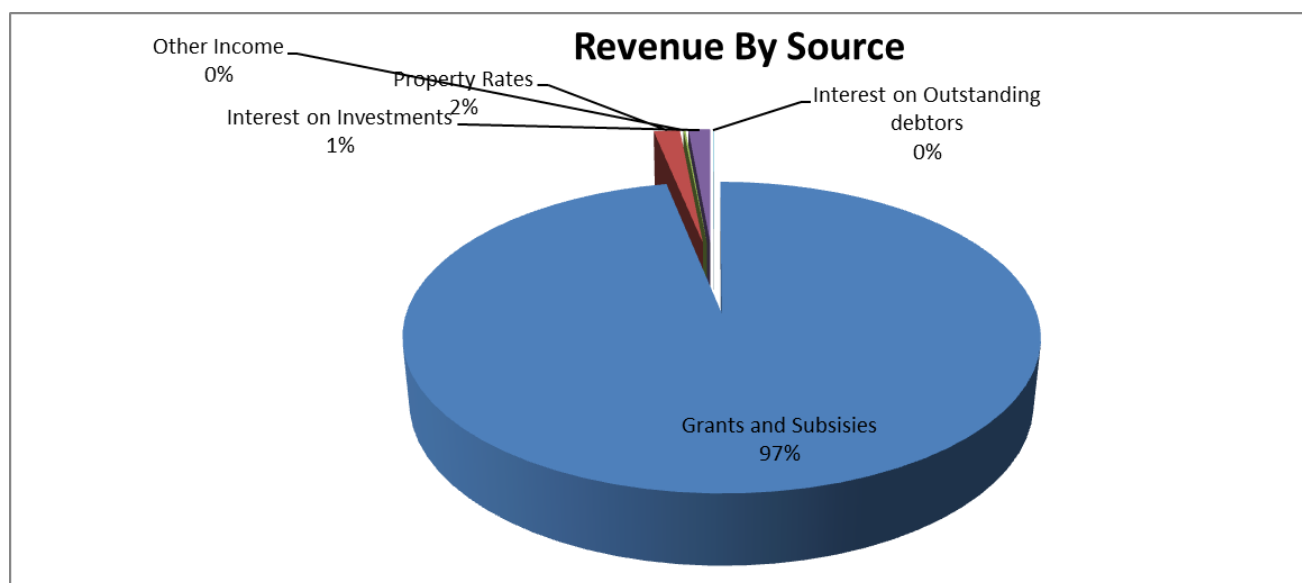


Figure 1 Main operational revenue categories for 2016/17 financial year.

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2016/17 budget and MTREF is informed by the following:

- Balanced budget constrains (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is high level summary of the 2016/17 budget and MTREF (classified per main type of operating expenditure)

Table 5 Summary of operating expenditure by expenditure type

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Expenditure By Type										
Employee related costs	2	10 231	11 385	12 838	15 883	15 744	15 744	16 995	18 183	18 183
Remuneration of councillors		2 912	3 812	4 026	4 595	4 595	4 595	4 917	5 261	5 261
Debt impairment	3	(22)	–	–	76	76	76	81	87	87
Depreciation & asset impairment	2	2 281	2 801	3 537	2 825	4 506	4 506	3 626	3 879	3 879
Finance charges		–	38	46	36	36	36	38	41	41
Bulk purchases	2	–	–	–	–	–	–	–	–	–
Other materials	8	622	669	695	844	844	844	903	966	966
Contracted services		2 390	17 881	5 638	18 038	18 038	18 038	13 457	11 839	11 839
Transfers and grants		746	779	734	1 051	1 051	1 051	1 124	1 203	1 203
Other expenditure	4, 5	34 767	14 769	18 660	23 828	39 133	39 133	23 380	25 253	25 253
Loss on disposal of PPE				(2)						
Total Expenditure		53 925	52 133	46 172	67 175	84 022	84 022	64 521	66 712	66 712

The budgeted allocation for employee related costs for 2016/17 financial year totals R 15, 883 million, which equals 23,64 per cent of the total operating expenditure. Ntambanana Local Municipality has budgeted for an increase of 6, 80 per cent for 2016/17 financial year. An annual increase of 6, 8 and 6, 8 per cent has been budgeted for in two outer years of the MTREF respectively as guided by MFMA circular 70. The above increases include Task Grade increases as per council policy.

The cost associated with the remuneration of councillors is determined by the minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Provision for depreciation has been informed by Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriation in this regard totals to R 4, 595 million for 2016/17 financial year and equals to 6.8 per cent of the total operating expenditure.

Other material comprises of amongst others the purchase of fuel, diesel, material for maintenance, cleaning materials and chemicals.

Contracted services have been identified as cost saving area for the Municipality. As part of the compilation of the 2016/17 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. Compared to last financial year there is decrease on contracted services expenditure for 2016/17 financial year, this increment has been caused by May 2016

the reclassification of 'other expenditure' to comply with the new version of the budget. Some of the expenditure items have been removed from general expenses and they are now under contracted services

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in

which cost savings and efficiencies can be achieved. Growth has been limited to 5.6 per cent for 2016/17 and curbed at 5.4 and 5.4 per cent for the two outer years, indicating

that significant cost savings have been already realised. It must be noted that other expenditure also includes expenditure funded from operating grants.

The following table gives a breakdown of the main expenditure categories for the 2016/17 financial year.

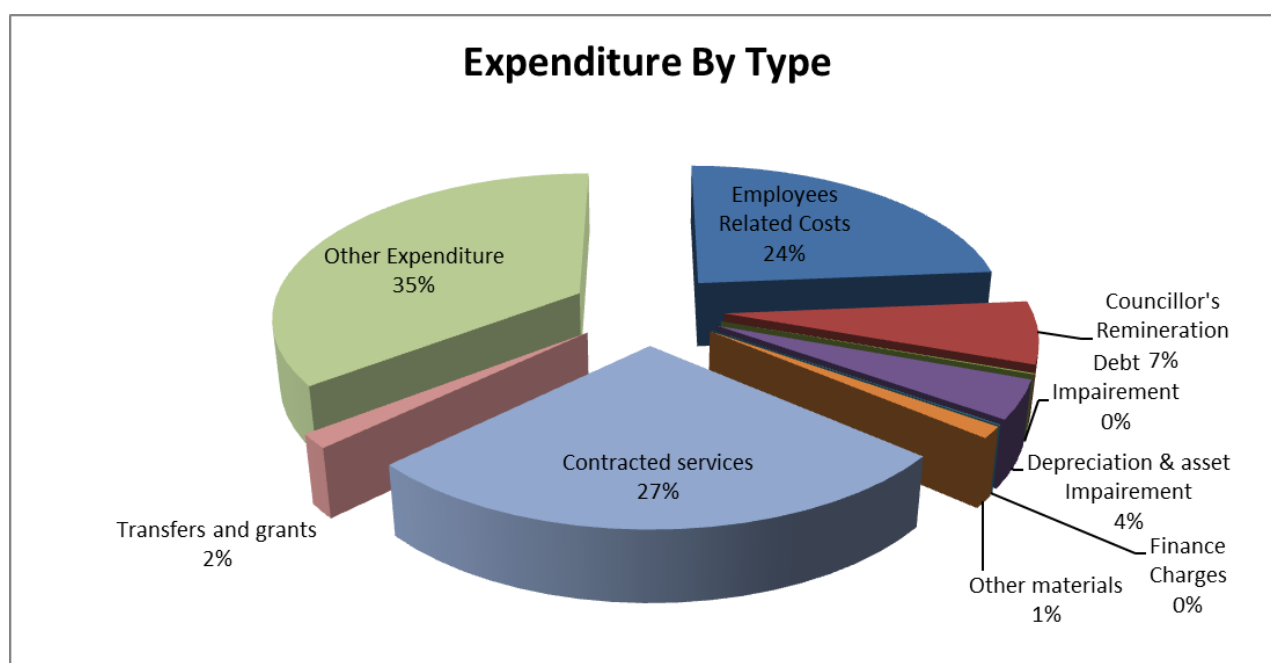


Figure 2 Main operational expenditure categories for the 2016/17 financial year

Table 6 Operational repairs and maintenance

Repairs and Maintenance								
Employee related costs					–	1 914	2 048	2 192
Other materials								
Contracted Services								
Other Expenditure		1 653	1 653	1 365	1 376	1 669	1 620	1 969
Total Repairs and Maintenance Expenditure	–	1 653	1 653	1 365	1 376	3 583	3 669	4 160

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered as a direct expenditure driver but an outcome of certain other expenditure, such as remuneration, purchases of materials and contracted services. Ntambanana Local Municipality is aware of the Municipal Budget and Reporting Regulations which states that priority must be given to operational repairs and maintenance but because of its capacity and a small number of assets that the municipality owns the budgeted amount is reflected on the table above so small. Repairs and maintenance has been increased by 38.39 per cent compared to 2016/17 financial year.

1.5.1 Free Basic Services

The free basic service assists households that are poor or face other circumstances that limit their ability to pay for services. To receive this service the households are required to register in terms of the Municipality's Indigent Policy. The qualification criterion in terms of the municipality's Indigent policy is that, the household joint gross income should not exceed two times the government old age pension grant.

1.6 Capital expenditure

Table 7 List of capital projects per ward

The following are some of the projects to be undertaken over the medium-term includes, amongst others:

Ntambanana Local Municipality: Municipal Capital Projects 2015/16			
Project Name	Project No.	Ward	Approved Project Value (R)
Lumbi Sportsfield	-	1	2 609 999.99
Esisingeni Creche	2012MIGFK28310176	2	1 084 577.85
Oviceni Creche	2013MIGFK283216837	3	1 236 707.98
Mkhakhwini Community Hall	2012MIGFK283210179	4	2 859 861.36
Sabokwe Art and Skills Centre	-	5	2 183 064.97
Mathunzini Creche	2012MIGFK283210170	6	1 084 577.85
Macekane Sportsfield	-	7	2 609 999.99
Hlaza Sportsfield	2011MIGFK283204535	8	2 409 999.99

1.7 Annual Budget Tables – Parent Municipality

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2016/17 budget and MTREF as recommended to be approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 9 MBRR Table A1 – Budget Summary**KZN283 Ntambanana - Table A1 Budget Summary**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands									
Financial Performance									
Property rates	1 248	1 288	1 323	1 353	1 336	1 336	1 448	1 549	1 549
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	1 173	1 168	1 324	1 132	1 132	1 132	1 211	1 295	1 295
Transfers recognised - operational	51 828	46 058	44 190	64 848	72 074	72 074	62 081	58 880	58 880
Other own revenue	582	441	402	102	14 386	14 386	110	5 316	5 316
Total Revenue (excluding capital transfers and contributions)	54 832	48 955	47 239	67 435	88 928	88 928	64 849	67 041	67 041
Employee costs	10 231	11 385	12 838	15 883	15 744	15 744	16 995	18 183	18 183
Remuneration of councillors	2 912	3 812	4 026	4 595	4 595	4 595	4 917	5 261	5 261
Depreciation & asset impairment	2 281	2 801	3 537	2 825	4 506	4 506	3 626	3 879	3 879
Finance charges	–	38	46	36	36	36	38	41	41
Materials and bulk purchases	622	669	695	844	844	844	903	966	966
Transfers and grants	746	779	734	1 051	1 051	1 051	1 124	1 203	1 203
Other expenditure	37 134	32 649	24 296	41 941	57 246	57 246	36 918	37 178	37 178
Total Expenditure	53 925	52 133	46 172	67 175	84 022	84 022	64 521	66 712	66 712
Surplus/(Deficit)	906	(3 178)	1 067	260	4 906	4 906	329	328	328
Transfers recognised - capital	13 216	13 565	13 942	15 073	17 173	17 173	15 507	16 159	16 159
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	14 123	10 387	15 009	15 333	22 079	22 079	15 836	16 487	16 487
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	14 123	10 387	15 009	15 333	22 079	22 079	15 836	16 487	16 487
Capital expenditure & funds sources									
Capital expenditure	2 204	12 875	13 741	15 367	22 079	22 079	15 821	16 495	16 495
Transfers recognised - capital	2 204	12 875	13 741	15 073	21 785	21 785	15 821	16 159	16 159
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	294	294	294	–	336	336
Total sources of capital funds	2 204	12 875	13 741	15 367	22 079	22 079	15 821	16 495	16 495
Financial position									
Total current assets	23 274	24 889	24 729	672	1	1	672	672	672
Total non current assets	49 448	59 512	69 805	91 515	91 515	91 515	103 686	116 277	116 277
Total current liabilities	15 560	16 701	12 135	–	–	–	–	–	–
Total non current liabilities	–	151	84	–	–	–	–	–	–
Community wealth/Equity	57 163	67 549	82 314	92 187	91 516	91 516	104 357	116 948	116 948
Cash flows									
Net cash from (used) operating	17 322	13 383	13 652	18 200	738	738	–	–	–
Net cash from (used) investing	(14 091)	(12 875)	(13 690)	(15 367)	(22 079)	(22 079)	–	–	–
Net cash from (used) financing	–	202	(52)	–	–	–	–	–	–
Cash/cash equivalents at the year end	20 628	21 341	21 251	2 833	(21 341)	(21 341)	–	–	–
Cash backing/surplus reconciliation									
Cash and investments available	20 630	21 341	21 252	672	1	1	672	672	672
Application of cash and investments	13 078	6 894	7 940	–	–	–	–	–	–
Balance - surplus (shortfall)	7 552	14 448	13 312	672	1	1	672	672	672
Asset management									
Asset register summary (WDV)	49 448	59 512	95	91 515	50	50	103 686	116 277	116 277
Depreciation & asset impairment	2 281	2 801	3 537	2 825	4 506	4 506	3 626	3 879	3 879
Renewal of Existing Assets	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	–	–	–	–	–	–	–	–	–
Free services									
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–
Households below minimum service level									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sew erage:	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 – Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspective (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic services delivery backlogs.
3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. the operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources.

Table 10 MBRR Table A2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN283 Ntambanana - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		23 688	25 698	61 181	48 631	60 984	60 984	47 041	50 574	50 574
Executive and council		19 194	21 185	61 181	44 219	42 362	42 362	42 422	40 486	40 486
Budget and treasury office		4 412	4 487	–	4 367	18 561	18 561	4 571	10 037	10 037
Corporate services		82	25	–	45	61	61	48	51	51
<i>Community and public safety</i>		6 424	7 697	–	9 225	16 599	16 599	9 794	10 475	10 475
Community and social services		6 424	7 697	–	9 225	16 599	16 599	9 794	10 475	10 475
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		37 936	29 175	–	24 686	28 517	28 517	23 507	22 159	22 159
Planning and development		37 936	29 175	–	24 686	28 517	28 517	23 507	22 159	22 159
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		–	–	–	–	–	–	–	–	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	68 048	62 570	61 181	82 542	106 100	106 100	80 342	83 208	83 208
Expenditure - Standard										
<i>Governance and administration</i>		17 591	21 812	38 456	31 404	30 620	30 620	32 219	34 474	34 474
Executive and council		6 352	5 880	10 991	10 543	7 588	7 588	9 294	9 944	9 944
Budget and treasury office		6 698	10 125	8 406	13 126	15 008	15 008	14 648	15 673	15 673
Corporate services		4 541	5 807	19 059	7 735	8 023	8 023	8 277	8 856	8 856
<i>Community and public safety</i>		8 165	11 512	–	14 748	23 702	23 702	15 851	16 961	16 961
Community and social services		7 389	10 943	–	14 093	22 771	22 771	15 149	16 210	16 210
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		776	569	–	656	931	931	702	751	751
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		28 170	18 809	7 716	21 022	29 699	29 699	16 452	15 278	15 278
Planning and development		28 170	18 809	7 716	21 022	29 699	29 699	16 452	15 278	15 278
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		–	–	–	–	–	–	–	–	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	53 925	52 133	46 172	67 175	84 021	84 021	64 521	66 713	66 713
Surplus/(Deficit) for the year		14 123	10 437	15 009	15 367	22 079	22 079	15 821	16 495	16 495

Explanatory notes to Table A2 – Budget Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.

Table 11 MBRR Table A3 – Budgeted Financial performance (revenue and expenditure by municipal vote)

KZN283 Ntambanana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote		1									
Vote 1 - Executive and Council			19 194	21 185	61 181	44 219	42 362	42 362	42 422	40 486	40 486
Vote 2 - Budget and Treasury			4 412	4 487	–	4 367	18 562	18 562	4 571	10 037	10 037
Vote 3 - Corporate and Community			6 506	7 723	–	9 270	16 660	16 660	9 842	10 526	10 526
Vote 4 - Technical			37 936	29 125	–	24 686	28 517	28 517	23 507	22 159	22 159
Vote 5 - [NAME OF VOTE 5]			–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]			–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]			–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]			–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]			–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]			–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]			–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]			–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]			–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]			–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]			–	–	–	–	–	–	–	–	–
Total Revenue by Vote		2	68 048	62 520	61 181	82 542	106 101	106 101	80 342	83 208	83 208
Expenditure by Vote to be appropriated		1									
Vote 1 - Executive and Council			6 809	6 213	10 991	12 013	9 115	9 115	11 070	11 845	11 845
Vote 2 - Budget and Treasury			6 698	10 125	8 406	13 126	15 008	15 008	14 648	15 673	15 673
Vote 3 - Corporate and Community			12 706	17 319	19 059	22 484	31 726	31 726	24 128	25 817	25 817
Vote 4 - Technical			27 719	18 476	7 716	19 552	28 173	28 173	14 675	13 378	13 378
Vote 5 - [NAME OF VOTE 5]			–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]			–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]			–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]			–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]			–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]			–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]			–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]			–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]			–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]			–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]			–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		2	53 931	52 133	46 172	67 175	84 022	84 022	64 521	66 713	66 713
Surplus/(Deficit) for the year		2	14 117	10 387	15 009	15 367	22 079	22 079	15 821	16 495	16 495

Explanatory notes to MBRR Table A3 – Budgeted Financial Performance (revenue and expenditure per municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 12 MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure)

KZN283 Ntambanana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Revenue By Source										
Property rates	2	1 248	1 288	1 323	1 353	1 336	1 336	1 448	1 549	1 549
Property rates - penalties & collection charges										
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–
Service charges - other										
Rental of facilities and equipment	23	25	27	–	–	–	–	–	–	–
Interest earned - external investments	1 173	1 168	1 324	1 132	1 132	1 132	1 211	1 295	1 295	
Interest earned - outstanding debtors	59	68	96	29	61	61	31	33	33	
Dividends received	–	–	–	–	–	–	–	–	–	–
Fines	–	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	51 828	46 058	44 190	64 848	72 074	72 074	62 081	58 880	58 880	
Other revenue	2	500	348	279	74	14 326	14 326	79	5 283	5 283
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)		54 832	48 955	47 239	67 435	88 928	88 928	64 849	67 041	67 041
Expenditure By Type										
Employee related costs	2	10 231	11 385	12 838	15 883	15 744	15 744	16 995	18 183	18 183
Remuneration of councillors	2 912	3 812	4 026	4 595	4 595	4 595	4 917	5 261	5 261	
Debt impairment	(22)	–	–	76	76	76	81	87	87	
Depreciation & asset impairment	2	2 281	2 801	3 537	2 825	4 506	4 506	3 626	3 879	3 879
Finance charges	–	38	46	36	36	36	38	41	41	
Bulk purchases	2	–	–	–	–	–	–	–	–	–
Other materials	8	622	669	695	844	844	844	903	966	966
Contracted services	2 390	17 881	5 638	18 038	18 038	18 038	13 457	11 839	11 839	
Transfers and grants	746	779	734	1 051	1 051	1 051	1 124	1 203	1 203	
Other expenditure	4, 5	34 767	14 769	18 660	23 828	39 133	39 133	23 380	25 253	25 253
Loss on disposal of PPE	(2)									
Total Expenditure		53 925	52 133	46 172	67 175	84 022	84 022	64 521	66 712	66 712
Surplus/(Deficit)		906	(3 178)	1 067	260	4 906	4 906	329	328	328
Transfers recognised - capital	6	13 216	13 565	13 942	15 073	17 173	17 173	15 507	16 159	16 159
Contributions recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		14 123	10 387	15 009	15 333	22 079	22 079	15 836	16 487	16 487
Taxation										
Surplus/(Deficit) after taxation		14 123	10 387	15 009	15 333	22 079	22 079	15 836	16 487	16 487
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		14 123	10 387	15 009	15 333	22 079	22 079	15 836	16 487	16 487
Share of surplus/ (deficit) of associate	7									
Surplus/(Deficit) for the year		14 123	10 387	15 009	15 333	22 079	22 079	15 836	16 487	16 487

Explanatory notes to Table A4 – Budgeted Financial Performance (revenue and expenditure)

1. Total revenue excluding capital transfers is R 45, 934 million in 2016/17 and escalates to R 59,878 and R 60,180 million respectively for the two outer years. This translates an increase of 30 per cent in 2016/17 and 0.50 per cent in 2016/17 financial year.
2. Revenue to be generated from property rates is R 1,353 million in the 2016/17 financial year and increase to R 1, 429 million in the 2016/17 and R 1, 509 in 2016/17.
3. Transfer recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 32 per cent in 2016/17 and 27 per cent in 2016/17 financial years and this brings hope to our impoverished community.

Table 13 MBRR Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding sources

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury Office	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate & Community	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services	-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury Office	-	-	-	279	319	319	294	314	336
Vote 3 - Corporate & Community	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services	-	-	-	16 696	18 619	18 619	15 073	15 507	16 159
Vote 5 - [NAME OF VOTE 5]	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	16 975	18 938	18 938	15 367	15 821	16 495
Total Capital Expenditure - Vote	-	-	-	16 975	18 938	18 938	15 367	15 821	16 495
Capital Expenditure - Standard									
Governance and administration	-	-	-	-	-	-	-	-	-
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-
Corporate services	-	-	-	-	-	-	-	-	-
Community and public safety	-	-	-	-	-	-	-	-	-
Community and social services	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	9 045	2 204	12 875	16 975	18 938	18 938	15 367	15 821	16 495
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	9 045	2 204	12 875	16 975	18 938	18 938	15 367	15 821	16 495
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	9 045	2 204	12 875	16 975	18 938	18 938	15 367	15 821	16 495
Funded by:									
National Government	9 045	2 204	12 875	14 596	18 938	18 938	15 073	15 507	16 159
Provincial Government	-	-	-	2 100	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	9 045	2 204	12 875	16 696	18 938	18 938	15 073	15 507	16 159
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	279	-	-	294	314	336
Total Capital Funding	9 045	2 204	12 875	16 975	18 938	18 938	15 367	15 821	16 495

Explanatory notes to Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi – year and single – year appropriations); capital expenditure by standard classification; and funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. Ntambanana Municipality has budgeted to spend R 16,976 million on capital expenditure for 2016/17 financial year and this allocation decreases to R 15,471 million in 2016/17 and again increases to R 15, 978 million in 2016/17 financial year.
3. The capital programme Ntambanana Municipality is funded from national & provincial grants and subsidies

Table 14 MBRR Table A6 – Budgeted Financial Position**KZN283 Ntambanana - Table A6 Budgeted Financial Position**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
ASSETS										
Current assets										
Cash		20 630	702	74	672	1	1	672	672	672
Call investment deposits	1	–	20 639	21 178	–	–	–	–	–	–
Consumer debtors	1	883	945	1 246	–	–	–	–	–	–
Other debtors		1 761	2 604	2 231						
Current portion of long-term receivables										
Inventory	2									
Total current assets		23 274	24 889	24 729	672	1	1	672	672	672
Non current assets										
Long-term receivables										
Investments										
Investment property										
Investment in Associate										
Property, plant and equipment	3	49 338	59 437	69 709	91 465	91 465	91 465	103 661	116 277	116 277
Agricultural										
Biological										
Intangible		110	75	95	50	50	50	25	–	–
Other non-current assets										
Total non current assets		49 448	59 512	69 805	91 515	91 515	91 515	103 686	116 277	116 277
TOTAL ASSETS		72 723	84 401	94 533	92 187	91 516	91 516	104 357	116 948	116 948
LIABILITIES										
Current liabilities										
Bank overdraft	1									
Borrowing	4	–	–	67	–	–	–	–	–	–
Consumer deposits										
Trade and other payables	4	14 994	16 136	11 169	–	–	–	–	–	–
Provisions		565	566	900						
Total current liabilities		15 560	16 701	12 135	–	–	–	–	–	–
Non current liabilities										
Borrowing		–	–	84	–	–	–	–	–	–
Provisions		–	151	–	–	–	–	–	–	–
Total non current liabilities		–	151	84	–	–	–	–	–	–
TOTAL LIABILITIES		15 560	16 852	12 219	–	–	–	–	–	–
NET ASSETS	5	57 163	67 549	82 314	92 187	91 516	91 516	104 357	116 948	116 948
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)		57 163	67 549	82 314	92 187	91 516	91 516	104 357	116 948	116 948
Reserves	4	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	57 163	67 549	82 314	92 187	91 516	91 516	104 357	116 948	116 948

Explanatory notes to Table A6 – Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet)
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets ready converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budget Financial Position.

Table 15 MBRR Table A7 – Budgeted Cash Flow Statement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	1 107	1 327	1 288	1 455	1 455	1 455	1 286	1 376	1 472
Service charges	–	–	–	–	–	–	–	–	–
Other revenue	–	–	3 216	–	–	–	107	115	5 321
Government - operating	47 795	51 543	45 735	43 378	43 378	43 378	64 848	62 031	58 850
Government - capital	10 193	12 364	13 412	16 696	14 768	14 768	15 073	15 507	16 159
Interest	713	1 232	1 236	1 101	1 101	1 101	1 160	1 242	1 328
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(40 677)	(49 143)	(51 466)	(43 225)	(48 090)	(48 090)	(63 188)	(59 652)	(61 504)
Finance charges	–	–	(38)	–	–	–	(36)	(38)	(41)
Transfers and Grants	–	–	–	–	–	–	(1 051)	(1 124)	(1 203)
NET CASH FROM/(USED) OPERATING ACTIVITIES	19 131	17 322	13 383	19 405	12 611	12 611	18 200	19 455	20 383
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	6 048	–	–	–	–	–	–	–	–
Decrease (increase) in non-current debtors	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–
Payments									
Capital assets	(14 108)	(14 091)	(12 875)	(16 975)	(18 938)	(18 938)	(15 367)	(15 821)	(16 495)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(8 061)	(14 091)	(12 875)	(16 975)	(18 938)	(18 938)	(15 367)	(15 821)	(16 495)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	202	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–
Payments									
Repayment of borrowing	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	–	202	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD	11 071	3 231	711	2 430	(6 326)	(6 326)	2 833	3 634	3 888
Cash/cash equivalents at the year begin:	6 326	17 397	20 630	5 070	5 070	5 070	21 341	24 174	27 808
Cash/cash equivalents at the year end:	17 397	20 628	21 341	7 500	(1 256)	(1 256)	24 174	27 808	31 696

Table 16 MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation**KZN283 Ntambanana - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	1	20 628	21 341	21 251	2 833	(21 341)	(21 341)	–	–	–
Other current investments > 90 days	2	–	0	0	(2 161)	21 342	21 342	672	672	672
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–
Cash and investments available:		20 630	21 341	21 252	672	1	1	672	672	672
Application of cash and investments										
Unspent conditional transfers		13 250	14 513	9 904	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	(171)	(7 619)	(1 964)	–	–	–	–	–	–
Other provisions		–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		13 078	6 894	7 940	–	–	–	–	–	–
Surplus(shortfall)		7 552	14 448	13 312	672	1	1	672	672	672

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in – flow that is likely to result from the implementation of the budget.

Explanatory notes to Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

Table 17 MBRR Table A9 – Asset Management

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	-	-	-	16 975	18 938	18 938	15 367	15 821	16 495
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Community	-	-	-	16 696	18 619	18 619	15 073	15 507	16 159
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	279	319	319	294	314	336
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Community	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Community	-	-	-	16 696	18 619	18 619	15 073	15 507	16 159
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	279	319	319	294	314	336
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	-	-	-	16 975	18 938	18 938	15 367	15 821	16 495
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Community	37 619	49 338	59 437	76 960	78 923	78 923	91 465	103 661	116 277
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	41	110	75	-	-	-	50	25	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	37 660	49 448	59 512	76 960	78 923	78 923	91 515	103 686	116 277
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	1 260	2 281	2 801	2 430	2 430	2 430	2 825	3 626	3 879
Repairs and Maintenance by Asset Class	-	1 653	1 653	1 365	1 376	1 376	3 583	3 669	4 160
Infrastructure - Road transport	-	-	-	-	-	-	205	31	38
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	205	31	38
Community	-	-	-	150	150	150	1 169	1 274	1 593
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	1 653	1 653	1 215	1 226	1 226	2 209	2 364	2 529
TOTAL EXPENDITURE OTHER ITEMS	1 260	3 934	4 454	3 795	3 806	3 806	6 408	7 294	8 040
Renewal of Existing Assets as % of total capex	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE	0.0%	3.4%	2.8%	1.8%	1.7%	1.7%	3.9%	3.5%	3.6%
Renewal and R&M as a % of PPE	0.0%	3.0%	3.0%	2.0%	2.0%	2.0%	4.0%	4.0%	4.0%

Table 18 MBRR Table A10 – Basic service delivery measurement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets									
Water:									
Piped water inside dwelling	608	610	710	781	781	781	836	894	957
Piped water inside yard (but not in dwelling)	2,250	2,300	2,400	2,640	2,640	2,640	2,825	3,023	3,234
Using public tap (at least min.service level)	3,264	3,500	3,600	3,960	3,960	3,960	4,237	4,534	4,851
Other water supply (at least min.service level)	1,375	1,450	1,550	1,705	1,705	1,705	1,824	1,952	2,089
<i>Minimum Service Level and Above sub-total</i>	7,497	7,860	8,260	9,086	9,086	9,086	9,722	10,403	11,131
Using public tap (< min.service level)	869	880	980	1,078	1,078	1,078	1,153	1,234	1,321
Other water supply (< min.service level)	329	350	450	495	495	495	530	567	606
No water supply	4,131	4,150	4,250	4,675	4,675	4,675	5,002	5,352	5,727
<i>Below Minimum Service Level sub-total</i>	5,329	5,380	5,680	6,248	6,248	6,248	6,685	7,153	7,654
Total number of households	12,826	13,240	13,940	15,334	15,334	15,334	16,407	17,556	18,785
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	228	260	360	396	396	396	424	453	485
Flush toilet (with septic tank)	216	220	320	352	352	352	377	403	431
Chemical toilet	351	420	520	572	572	572	612	655	701
Pit toilet (ventilated)	5,057	5,020	5,120	5,632	5,632	5,632	6,026	6,448	6,899
Other toilet provisions (> min.service level)	579	228	228	251	251	251	269	287	307
<i>Minimum Service Level and Above sub-total</i>	6,431	6,148	6,548	7,203	7,203	7,203	7,707	8,247	8,824
Bucket toilet	271	280	380	418	418	418	447	479	512
Other toilet provisions (< min.service level)	3,012	3,220	3,320	3,652	3,652	3,652	3,908	4,181	4,474
No toilet provisions	3,112	3,592	3,692	4,061	4,061	4,061	4,345	4,649	4,975
<i>Below Minimum Service Level sub-total</i>	6,395	7,092	7,392	8,131	8,131	8,131	8,700	9,309	9,961
Total number of households	12,826	13,240	13,940	15,334	15,334	15,334	16,407	17,556	18,785
Energy:									
Electricity (at least min.service level)	5,278	5,485	6,085	6,694	6,694	6,694	7,163	7,664	8,200
Electricity - prepaid (min.service level)									
<i>Minimum Service Level and Above sub-total</i>	5,278	5,485	6,085	6,694	6,694	6,694	7,163	7,664	8,200
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)									
Other energy sources	7,548	7,755	7,855	8,641	8,641	8,641	9,246	9,893	10,586
<i>Below Minimum Service Level sub-total</i>	7,548	7,755	7,855	8,641	8,641	8,641	9,246	9,893	10,586
Total number of households	12,826	13,240	13,940	15,335	15,335	15,335	16,408	17,557	18,786
Refuse:									
Removed at least once a week									
<i>Minimum Service Level and Above sub-total</i>	–	–	–	–	–	–	–	–	–
Removed less frequently than once a week	412	619	719	791	791	791	846	906	969
Using communal refuse dump	146	146	246	271	271	271	290	310	332
Using own refuse dump	10,836	11,043	11,143	12,257	12,257	12,257	13,115	14,033	15,015
Other rubbish disposal	182	182	282	310	310	310	332	355	380
No rubbish disposal	1,250	1,250	1,550	1,705	1,705	1,705	1,824	1,952	2,089
<i>Below Minimum Service Level sub-total</i>	12,826	13,240	13,940	15,334	15,334	15,334	16,407	17,556	18,785
Total number of households	12,826	13,240	13,940	15,334	15,334	15,334	16,407	17,556	18,785
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)									
Sanitation (free minimum level service)									
Electricity/other energy (50kwh per household per month)	1,559	1,820	1,820	2,002	2,002	2,002	2,142	2,292	2,453
Refuse (removed at least once a week)									
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)									
Sanitation (free sanitation service)									
Electricity/other energy (50kwh per household per month)	746	746	944	997	997	997	1,067	1,141	1,221
Refuse (removed once a week)									
Total cost of FBS provided (minimum social p	746	746	944	997	997	997	1,067	1,141	1,221

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the municipal Budget Steering Committee states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal department are properly evaluated and prioritized in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2012) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on August 2012. Key dates applicable to the process were.

- August 2013 – join strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritization criteria for the compilation of the 2016/17 MTREF;
- November 2013 – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury for consolidation and assessment against the financial planning guidelines;
- January 2014 – Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This include financial forecasting and scenario considerations;
- January 2014 – Multi – year budget proposals are submitted to the Mayoral Committee for endorsement;
- January 2014 – Council considers the 2013/14 Mid – year Review and Adjustments Budget;
- February 2014 – recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on the respective departments. The draft 2016/17 MTREF is revised accordingly;
- March 2014 – Tabling in Council of the draft 2016/17 IDP and 2016/17 MTREF for public consultation;
- April 2014 – Public consultation;
- May 2014 – Closing date for written comments;

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- May 2014 – finalization of the 2016/17 IDP and 2016/17 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- 29 May 2013 – Tabling of the 2016/17 before Council for consideration and approval.

2.1.2 IDP and Service Delivery and Budgeted Implementation Plan

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and developments actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Services Delivery and Budget Implementation Plan. The Process Plan of the municipality includes the following key IDP process and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring process.

The IDP has been taken into a business and financial planning process leading up to the 2016/17 MTREF, based on the approved 2013/14, Mid – year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2016/17 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid – year and third quarter performance against the 2013/14 Departmental Service Delivery and Budget Implementation Plan. Business planning links to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Community Consultation

The draft 2016/17 MTREF as tabled before Council on 25 March 2014 for community consultation was published on the municipality's website, and hard copies were made available at municipal offices and library.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalization of the 2016/17 MTREF.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local development and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilize integrated development planning as method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims

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and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solution towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One the key objective is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National Key Performance Indicators (NKIPs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's six strategic objectives for 2016/17 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 19 IDP Strategic Objectives

2016/17 Financial Year	2016/17 MTREF
1. Improve Health Profile of the community	1. Municipal Transformation and Institutional Development
2. Human Resource Development	2. Local Economic development and Social Development
3. Rural Development	3. Basic Service and Infrastructure Development
4. Local Economic Development	4. Good governance and public participation
5. Infrastructure Development	5. Financial Viability and Management
6. Revenue Enhancement	6. Spatial Development and Environments
7. Corporate Governance	

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarized as follows against the six strategic objectives:

1. Municipal Transformation and Institutional Development:
 - ❖ Improve skills and capacity of councilors and staff.
 - ❖ Improve skills and capacities of the community
 - ❖ Strengthen programmes on technological advancement
2. Local Economic Development and Social Development:
 - ❖ Promotion of Agricultural Development
 - ❖ Development and Capacitating of SMME's and Local Entrepreneurs
 - ❖ Promote Investor Confidence
 - ❖ Effective Management of EPWP Incentives
 - ❖ Reduce Water pollution
 - ❖ Reduce Incidents of HIV/AIDS Infections
 - ❖ Promote Healthy Lifestyle
 - ❖ Minimize the effect of natural and other disaster
3. Basic Service and Infrastructure Development:
 - ❖ Provision, upgrading and maintenance of infrastructure
 - ❖ Increase Waste Management site
 - ❖ Ensure an integrated management and information system
4. Good Governance and Public Participation:
 - ❖ Ensure institutional development
 - ❖ Ensure monitoring and evaluation of municipal performance
 - ❖ Ensure leadership enhancement
 - ❖ Ensure integrated development planning in order to achieve sustainable development

- ❖ Promote community empowerment
- ❖ Ensure compliance with all requirements of legislative framework

5. Financial Viability and Management:

- ❖ Enhance revenue collection
- ❖ Ensure that financial resources are efficiently and effectively allocated
- ❖ Ensure compliance with MFMA
- ❖ Ensure effective management and expenditure monitoring
- ❖ Ensure strategy towards clean audit 2014

6. Spatial Development and Environment:

- ❖ Spatial development framework
- ❖ Environmental Sustainability
- ❖ Ensure sustainable human settlements and land management

The 2016/17 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategy objectives and operating revenue, operating expenditure and capital expenditure.

Table 20 MBRR Table SA4 – Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
Municipal Transformation and Institutional Development	To improve skills and capacities of councillors and staff, to improve skills and capacities of the community, to strengthen programmes on technological advancement		11,688	13,236	19,194	24,403	24,403		30,881	42,192	42,364
Local Economic Development and Social Development	Promotion of Agricultural Development, Development and Capacitating of SMME's and Local Entrepreneurs, promote Investor confidence, effective Management of EPWP Incentives, reduce water pollution, reduce incidents of HIV/AIDS infections and promote healthy lifestyle		3,567	4,664	6,392	8,383	22,092		8,785	9,148	9,881
Basic Service and Infrastructure development	Provision and upgrading and maintenance of infrastructure, increase waste management site and ensure an integrated management and information system		17,800	26,400	24,720	12,000	12,007		1,921	3,900	3,000
Good Governance and Public Participation	To ensure monitoring and evaluation of municipal performance, to ensure leadership enhancement, to achieve sustainable development, to promote community empowerment and to ensure compliance with all requirements of legislative framework		279	139	82	82	127		43	45	47
Financial Viability and Management	To enhance revenue collection, to ensure that financial resources are effectively and efficiently allocated, ensure compliance with MFMA, ensure effective and management and monitoring of expenditure and ensure strategy towards clean audit 2014.		2,439	3,374	4,445	4,052	7,200		4,304	4,592	4,888
Spacial Development and Environments	Spatial development framework, environmental sustainability and ensure sustainable human settlements and land management										
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			35,772	47,814	54,832	48,920	65,829	–	45,934	59,878	60,180

Table 21 MBRR Table SA5 – Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
Municipal Transformation and Institutional Development	To improve skills and capacities of councillors and staff, to improve skills and		2,771	3,484		6,077	7,018	7,018	7,342	7,794	8,275
Local Economic Development and Social Development	Promotion of Agricultural Development, Development and Capacitating of SMME's		3,703	7,237		12,861	23,591	23,591	12,580	13,358	14,130
Basic Service and Infrastructure development	Provision and upgrading and maintenance of infrastructure, increase waste management		25,090	15,121		14,491	14,472	14,472	5,205	9,248	8,658
Good Governance and Public Participation	To ensure monitoring and evaluation of municipal performance, to ensure		2,946	3,066		19,004	30,671	30,671	20,181	21,394	22,628
Financial Viability and Management	To enhance revenue collection, to ensure that financial resources are		4,855	5,885		8,371	10,374	10,374	10,944	11,645	12,390
Spacial Development and Environments	Spatial development framework, environmental sustainability and ensure		255	352		1,251	762	762	1,366	1,451	1,542

Table 22 MBRR Table SA6 – Reconciliation between the IDP strategic objectives and budgeted (capital expenditure)

Strategic Objective	Goal	Goal Code	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
Basic Service and Infrastructure development	Provision and upgrading and maintenance of infrastructure, increase waste management	A	8,363	10,095	13,987	13,676	15,358	15,358	16,975	15,471	15,978
		B									
		C									
		D									
		E									
		F									
		G									
		H									
		I									
		J									
		K									
		L									
		M									
		N									
		O									
		P									
Allocations to other priorities											
Total Capital Expenditure			8,363	10,095	13,987	13,676	15,358	15,358	16,975	15,471	15,978

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework May 2016

for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organizational performance which in turn is directly linked to individual employee's performance.

2.4 Overview of budget related - policies

2.4.1 Review of credit control and debt collection procedures/policies

The municipality has the credit control and debt collection policy in place, the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate.

2.4.2 Asset Management Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base.

2.4.3 Supply Chain Management Policy

The municipality has Supply Chain Management Policy in place that gives effect to the procurement of goods and services of the municipality.

2.4.4 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and Municipality's system of delegations.

2.4.5 Cash Management and Investment Policy

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of the certain reserves. The policy details minimum cash and cash equivalent required at any point in time and introduces time frames to achieve certain benchmarks.

2.5 Overview of budget assumptions

2.5.1 General inflation outlook and its impact on the municipal activities

There are four factors that have been taken into consideration In the compilation of the 2016/17 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and impact on Municipality's resident and businesses;
- The impact of municipal cost drivers and
- The wage agreement SALGABC concluded with the municipal workers unions on 31 July 2009

2.5.2 Collection rate for revenue services

The rate of revenue collection is currently expressed as a percentage (37 per cent) of annual billings. Cash flow is assumed to be 37 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy.

2.5.3 Salary increases

The collective agreement regarding salaries/wages came into effect on 1 July 2012. The municipality has increases its salaries by 6.80 per cent for 2016/17 financial year.

2.5.4 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focused service delivery and in this regard various measures were implemented to align IDP's, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

2.6 Expenditure on grants and reconciliation of unspent funds

Table 23 MBRR SA19 – Expenditure on transfers and grant programmes

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	29,002	46,113	39,076	35,386	35,386	35,386	56,412	53,204	49,419
Local Government Equitable Share	17,674	19,194	21,185	30,881	30,881	30,881	42,362	42,422	40,486
Finance Management	1,450	1,533	1,652	1,800	1,800	1,800	1,800	1,825	1,900
Municipal Systems Improvement	790	845	844	934	934	934	930	957	1,033
Integrated National Electrification Programme	9,088	23,548	14,393	–	–	–	8,000	8,000	6,000
EPWP Incentive		993	1,002	1,771	1,771	1,771	1,463	–	–
Municipal Demarcation Transition Grant							1,857	–	–
Provincial Government:	146	447	694	661	661	661	873	761	800
Sport and Recreation							150	–	–
Provincialisation of Libraries	146	447	694	661	661	661	723	761	800
District Municipality:	526	3,415	3,340	7,181	7,181	7,181	7,563	8,066	8,631
Refuse Removal	526	3,415	3,340	7,181	7,181	7,181	7,563	8,066	8,631
Other grant providers:	–	1,124	2,694	–	–	–	–	–	–
Cogta - Corridor Development	–	1,124	2,694	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants	29,674	51,099	45,805	43,228	43,228	43,228	64,848	62,031	58,850
Capital expenditure of Transfers and Grants									
National Government:	10,095	13,216	13,565	14,596	14,596	14,596	15,073	15,507	16,159
Municipal Infrastructure Grant (MIG)	10,095	13,216	13,565	14,596	14,596	14,596	15,073	15,507	16,159
Other capital transfers/grants [insert desc]									
Provincial Government:	–	–	–	2,100	2,100	2,100	–	–	–
Sports and Recreation				2,100	2,100	2,100			
District Municipality:	–	–	–	–	–	–	–	–	–
Refuse Removal									
Other grant providers:	–	–	–	–	–	–	–	–	–
Cogta - Corridor Development									
Total capital expenditure of Transfers and Grants	10,095	13,216	13,565	16,696	16,696	16,696	15,073	15,507	16,159
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	39,769	64,315	59,370	59,924	59,924	59,924	79,921	77,538	75,009

Table 24 MBRR SA 20 – Reconciliation between of transfers, grant receipts and unspent funds

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	5,719	6,912	3,294	(58)	(58)	(58)	–	–	–
Current year receipts	35,914	42,494	35,725	35,386	35,386	35,386	56,412	53,204	49,419
Conditions met - transferred to revenue	41,633	49,406	39,076	35,328	35,328	35,328	56,412	53,204	49,419
Conditions still to be met - transferred to liabilities			(58)						
Provincial Government:									
Balance unspent at beginning of the year	88	738	2,010	1,692	1,692	1,692	–	–	–
Current year receipts	233	3,485	3,159	2,911	(2,100)	(2,100)	873	761	800
Conditions met - transferred to revenue	321	4,223	3,477	4,603	(408)	(408)	873	761	800
Conditions still to be met - transferred to liabilities			1,692						
District Municipality:									
Balance unspent at beginning of the year	3,387	5,229	7,855	11,366	11,366	11,366	–	–	–
Current year receipts	5,452	6,041	6,851	7,181	7,181	7,181	7,563	8,066	8,631
Conditions met - transferred to revenue	8,839	11,270	3,340	18,547	18,547	18,547	7,563	8,066	8,631
Conditions still to be met - transferred to liabilities			11,366						
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities									
Total operating transfers and grants revenue	50,793	64,899	45,893	58,479	53,468	53,468	64,848	62,031	58,850
Total operating transfers and grants - CTBM	–	–	13,001	–	–	–	–	–	–
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	98	(754)	(907)	(907)	(907)	–	–	–
Current year receipts	10,193	12,364	13,412	14,596	14,596	14,596	15,073	15,507	16,159
Conditions met - transferred to revenue	10,193	13,216	13,565	13,689	13,689	13,689	15,073	15,507	16,159
Conditions still to be met - transferred to liabilities		(754)	(907)						
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year			–	1,369	1,369	1,369	–	–	–
Current year receipts			1,534	–	380	380	–	–	–
Conditions met - transferred to revenue	–	–	165	1,369	1,749	1,749	–	–	–
Conditions still to be met - transferred to liabilities			1,369						
Total capital transfers and grants revenue	10,193	13,216	13,729	15,059	15,438	15,438	15,073	15,507	16,159
Total capital transfers and grants - CTBM	–	(754)	463	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE	60,986	78,115	59,623	73,537	68,906	68,906	79,921	77,538	75,009
TOTAL TRANSFERS AND GRANTS - CTBM	–	(754)	13,463	–	–	–	–	–	–

2.7 Councillor and employee benefits

Table 25 MBRR SA22 – Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	1,933	2,046	2,566	2,631	2,926	2,926	3,217	3,443	3,684
Pension and UIF Contributions	137	–	–	–	–	–	–	–	–
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	619	610	855	877	975	975	933	999	1,068
Cellphone Allowance	182	198	334	357	357	357	379	406	434
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	–	57	58	101	62	62	65	70	75
Sub Total - Councillors	2,871	2,912	3,812	3,966	4,319	4,319	4,595	4,917	5,261
% increase		1.4%	30.9%	4.0%	8.9%	–	6.4%	7.0%	7.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	1,673	1,443	1,218	1,985	1,617	1,617	1,975	2,086	2,211
Pension and UIF Contributions	17	–	4	5	5	5	5	6	6
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	151	161	319	278	180	180	277	292	310
Motor Vehicle Allowance	503	326	338	571	370	370	565	597	633
Cellphone Allowance	41	–	–	45	–	–	–	–	–
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	31	54	26	22	22	26	27	29
Payments in lieu of leave	–	–	–	64	52	52	63	67	71
Long service awards	–	–	24	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	2,388	1,960	1,956	2,973	2,246	2,246	2,911	3,074	3,259
% increase		(17.9%)	(0.2%)	52.0%	(24.4%)	–	29.6%	5.6%	6.0%
Other Municipal Staff									
Basic Salaries and Wages	3,678	3,908	6,499	7,607	7,523	7,523	8,558	9,038	9,580
Pension and UIF Contributions	542	593	1,027	1,408	1,273	1,273	1,521	1,606	1,703
Medical Aid Contributions	265	392	485	618	574	574	644	680	720
Overtime	150	131	272	209	272	272	396	419	444
Performance Bonus	285	275	289	560	490	490	601	634	673
Motor Vehicle Allowance	447	624	669	937	808	808	831	877	930
Cellphone Allowance	–	–	–	–	–	–	–	–	–
Housing Allowances	37	45	38	150	88	88	150	159	168
Other benefits and allowances	32	86	174	216	202	202	233	246	261
Payments in lieu of leave	–	–	–	215	198	198	231	244	258
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff	5,437	6,054	9,453	11,922	11,428	11,428	13,165	13,903	14,737
% increase		11.4%	56.1%	26.1%	(4.1%)	–	15.2%	5.6%	6.0%
Total Parent Municipality	10,695	10,926	15,222	18,860	17,993	17,993	20,672	21,894	23,257
		2.2%	39.3%	23.9%	(4.6%)	–	14.9%	5.9%	6.2%

Table 26 MBRR SA23 – Salaries, allowances and benefits (political office bearers/councilors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker		222,849	3,232	100,317			326,398
Chief Whip		-	-	-			-
Executive Mayor		278,563	3,975	118,888			401,425
Deputy Executive Mayor		222,849	3,232	100,317			326,398
Executive Committee		208,922	3,046	95,675			307,643
Total for all other councillors		2,270,961	28,009	934,530			3,233,500
Total Councillors	-	3,204,145	41,493	1,349,727			4,595,365
Senior Managers of the Municipality							
Municipal Manager (MM)		695,520	10,801	199,017	97,373		1,002,712
Chief Finance Officer		639,891	10,086	183,095	89,585		922,657
Director: Corporate & Community		639,891	10,086	183,095	89,585		922,657
List of each official with packages >= senior manager							- - - - - - - - -
Total Senior Managers of the Municipality	-	1,975,302	30,973	565,208	276,542		2,848,026
A Heading for Each Entity							
List each member of board by designation							- - - - - - - - - - - - -
Total for municipal entities	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	-	5,179,447	72,466	1,914,936	276,542		7,443,390

Table 27 MBRR – Summary of personnel numbers

Summary of Personnel Numbers		2013/14			Current Year 2014/15			Budget Year 2015/16		
Number		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		16	–	16	16	–	16	16	–	16
Board Members of municipal entities		–	–	–	–	–	–	–	–	–
Municipal employees										
Municipal Manager and Senior Managers		3	–	3	3	–	3	3	–	3
Other Managers		6	6	–	6	6	–	6	6	–
Professionals		39	33	6	31	27	4	32	27	5
Finance		9	6	3	10	6	4	12	7	5
Spatial/town planning		2	1	1	1	1	–	–	–	–
Information Technology		–	–	–						
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other		28	26	2	20	20	–	20	20	–
Technicians		–	–	–	–	–	–	–	–	–
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		1	1	–	1	1				
Elementary Occupations										
TOTAL PERSONNEL NUMBERS		65	40	25	57	34	23	57	33	24
% increase					(12.3%)	(15.0%)	(8.0%)	–	(2.9%)	4.3%
Total municipal employees headcount										
Finance personnel headcount										
Human Resources personnel headcount										

2.8 Municipal manager's quality certificate

I, municipal manager of Ntambanana Local Municipality hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Acting Municipal Manager of _____

Signature _____

Date _____